
PRESS RELEASE

EUROGAS WELCOMES A NEW MEMBER FROM GERMANY

VERBUNDNETZ GAS AG - VNG

Eurogas welcomed a new gas trading and supply company from Germany, which joined the organization as a full member from 1st of August 2005.

VNG is a gas trading and energy service provider company in the eastern part of Germany providing deliveries and offering industry-specific services. Its customers and partners are regional and local distribution companies, power stations and major industrial customers. The company reaches 16 % of the German gas market share. This result places the company at one of the leading places in the ranking of East German enterprises as regards turnover level.

Amounts of natural gas imported by VNG mostly derive from European purchasing sources. Imports are completed with national producers' supplies. Gas is transported by means of a private expanded gas pipes system. Furthermore, safety and security of supplies are guaranteed by long-term gas purchase contracts, by linkages with the eastern and western European transit system and also by the underground natural gas storages which are integrated in the grid.

Furthermore, VNG provides gas for export and also makes it accessible to Polish and Czech gas enterprises upon special request. VNG looks ahead to the development of energy saving devices which fulfill their functions with natural gas as fuel. Fuel mix of natural gas with renewable energy sources for energy saving technologies are also encouraged by VNG in its ongoing business plans.

The company supports the development and use of natural gas vehicles. It supports to an equal extend the development of other areas of application of natural gas. Finally, VNG also offers its clients a range of services in the field of environment and marketing.

A 26 % share of natural gas in primary use in the area of VNG's deliveries in relation with 21.5 % in whole Germany is probably the biggest success of the company. Eurogas looks forward to a long and constructive cooperation with Verbundnetz Gas AG.

Eurogas is the European Union of the Natural Gas Industry representing European natural gas companies and associations of 21 countries towards the EU, all other relevant international institutions and stakeholders.

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